

7/10/78 [3]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Eizenstat to Pres. Carter, w/attachments 7 pp., re: Vladimir Slepak	7/7/78	C
Recommendations	Recommendations for Presidential Medal of Freedom w/attachments 20 pp., re: recommendations	7/10/78	C
Memo	Brzezinski to Pres. Carter, w/attachments 7 pp., re: Arms sales <i>Sanitized & Opened 2/2/93</i> <i>copy</i> <i>Declass ed per RAC NLC-126-13-18-1-7 , 6/12/13</i>	7/7/78	A

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Presidential Handwriting File, 7/10/78 [3] Box 94

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	National Security Decision Memorandum 289 2pp OPENED 4/26/94	3/24/75	A

FILE LOCATION

7/10/78 [3]

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THE PRESIDENT'S SCHEDULE

Monday - July 10, 1978

7:45 Dr. Zbigniew Brzezinski - The Oval Office.

8:15 Mr. Frank Moore - The Oval Office.

8:30 Senator Robert Byrd. (Mr. Frank Moore).
(15 min.) The Oval Office.

8:55 Secretary Brock Adams. (Mr. Stuart Eizenstat
(5 min.) and Mr. Frank Moore) - The Oval Office.

9:00 Cabinet Meeting. (Mr. Jack Watson).
(2 hrs.)

11:30 LEAA Reorganization Announcement. (Mr. Stuart
(10 min.) Eizenstat) - The Rose Garden.

11:45 Mr. Max Heller, Democratic Congressional Candidate,
(2 min.) 4th District, S.C. (Mr. Frank Moore) - Oval Office.

11:55 Lt. Governor and Mrs. Richard Celeste.
(2 min.) (Mr. Tim Kraft) - The Oval Office.

12:00 Lunch with Vice President Walter F. Mondale.
The Oval Office.

7:00 Meeting with Congressional Group/Foreign Policy.
(3 hrs.) (Mr. Frank Moore and Dr. Zbigniew Brzezinski).
The State Floor.

THE WHITE HOUSE
WASHINGTON
July 10, 1978

Zbig Brzezinski

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim McIntyre

RE: F-5's FOR PAKISTAN

~~SECRET~~ ATTACHMENT

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION -

Bill - did our
 clear?

ACTION
 FYI

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input checked="" type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEXLER
<input checked="" type="checkbox"/>	BRZEZINSKI
<input checked="" type="checkbox"/>	MCINTYRE
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<input type="checkbox"/>	H. CARTER
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<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	RAFSHOON
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

<input type="checkbox"/>	ADAMS
<input type="checkbox"/>	ANDRUS
<input type="checkbox"/>	BELL
<input type="checkbox"/>	BERGLAND
<input type="checkbox"/>	BLUMENTHAL
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

July 7, 1978

SECRET/GDS

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB*

SUBJECT: F-5 Es for Pakistan

The attached memo from Cy (Tab A) seeks your approval for one element of the package that David Newsom will be carrying to Pakistan -- sale of F-5 Es. The rest of the package is reinstatement of a modest aid and PL 480 relationship, (probably less than Pakistan would have gotten had the reprocessing issue not cut off our aid) and some military equipment including four old destroyers, a destroyer tender, some howitzers and perhaps a small HAWK system. The F-5 Es are the only significant element in the whole package and even they are of much less interest to Pakistan than would be A-7s. None of this can move, of course, until the reprocessing issue is settled to our satisfaction.

Cy's memo sets forth the pros and cons and the recommendation is modest enough. In fact, I would recommend that Newsom not be restricted to the 40-50 figure. That has not really been staffed out and would be an unnecessary affront to the Pakistanis, who are probably expecting something much more impressive to assuage their fears of Afghanistan and make up for time lost during the reprocessing imbroglio.

Attached at Tab B for your information is the statement of our South Asian arms supply policy developed under the previous administration and reaffirmed last year by you.

RECOMMENDATION:

That you approve Cy's recommendation, but remove any reference to specific numbers. Cy's memo has been cleared with DoD.

Approve _____

Retain 40-50 limitation _____

No F-5 Es at all _____

SECRET/GDS*Jan 1/20/93*

~~SECRET~~

THE SECRETARY OF STATE
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT
FROM: Cyrus Vance *CV*
SUBJECT: F-5Es for Pakistan

Pakistan has a strong interest in updating its aging fighter aircraft fleet, and we believe the question of an F-5E purchase may be raised by the Pakistanis during David Newsom's July 14-17 visit. Our policy continues to dictate that we will not, even if asked again by Pakistan, sell the A-7.

Our military analysts agree that Pakistan's Air Force, compared with India's, is outdated and ineffective. A persuasive military case can be made for Pakistan's need for a modern, lightweight interceptor for legitimate air defense needs. They have formerly told us they would want approximately 110 F-5Es at a cost of about \$700-800 million for aircraft only.

There are a number of advantages to an F-5E sale. It would be a major sign of our interest in regional security in the wake of events in Afghanistan and Yemen. It would have the active and full support of Iran and Saudi Arabia and would help meet the concerns of those governments about our response to direct or indirect pressure on our friends from the USSR. There is a recognized military justification, and it would foster a sense of security among Pakistan's leadership.

Finally, the purchase would not pose a threat to Indian military superiority and would not introduce a higher level of arms sophistication in the area. (India already has the MIG-21, a comparable aircraft.)

SANTIZED

E.O. 12356, Sec. 3.4

PER *12/18/82 State* *WRE* *MR-NC-12-58*
BY *Jev* NARS. DATE *12/2/93*

~~SECRET~~

There are drawbacks to a sale, however. Our South Asian arms supply policy states we will not be a major supplier. Depending on the number of aircraft involved, a sale to Pakistan of F-5Es could make us a major supplier. It would also put additional pressure on our arms sales ceiling. In addition, the Indians may be concerned that the sale would signal a renewed "special relationship" with Pakistan. Finally, if the human rights record of the Pakistani Government does not improve or worsens, such a sale could be cited as inconsistent with our human rights policy.

David Newsom would not raise the F-5E issue in Islamabad and would respond only if the Pakistanis actively pursued the issue. We believe that if we respond positively to the Pakistanis, we should only agree in principle, with certain caveats. Newsom would say that our agreement would extend to no more than 40 aircraft, and he would not commit the U.S. to provide financing. He would also say that any sale would require Congressional approval.

In addition, Newsom would say that our agreement in principle would apply to F-5Es or "equivalent aircraft." Mentioning "equivalent aircraft" would indicate that we would not oppose further French sales to Pakistan of Mirage aircraft which are rough equivalents of the F-5E. (You may recall that we previously told the French that we would not attempt to undercut their sale of Mirage aircraft to Pakistan but that if the Pakistanis asked us about F-5Es, we would respond on the merits.)

Recommendation

That you approve David Newsom's responding, if asked by the Pakistanis, that, without making any commitment concerning the financing, we agree in principle to Pakistani acquisition of not more than 40 F-5Es or equivalent aircraft. He would not discuss the specifics of a sale, would note the need for Congressional approval,

make cost financing clear.

Approve Disapprove

J

DECLASSIFIED

E.O. 12356, Sec. 3.4

PER 1/21/99 XCL/RE MR-NLC-92-64
BY [Signature] NARS, DATE 4/5/94

Pak-Mil. Supplies

THE WHITE HOUSE
WASHINGTON

SECRET (GDS)

March 24, 1975

National Security Decision Memorandum 289

TO: The Secretary of State
The Secretary of Defense
The Director of Central Intelligence

SUBJECT: US Military Supply Policy to Pakistan and India

As reflected in the public announcement of February 24, 1975, I have decided to lift the embargo on US sales of lethal military equipment to Pakistan and India. The US Government, subject to the guidelines below, should in the future be as responsive as possible to requests for the sale of defense articles and services which will meet the legitimate security needs for modern and effective forces in Pakistan and India.

Sales will be subject to the following guidelines:

--Sales of US military equipment to Pakistan and India will be on a cash basis only. There will be no grant military assistance or FMS credits for the purchase of military equipment by either Pakistan or India.

--All sales of military equipment will be reviewed on a case by case basis.

--All sales will be consistent with the overall US policy in South Asia to encourage the process of normalization and reconciliation between Pakistan and India. Sales should not stimulate an arms race in that region or restore the pre-1965 situation in which the US was a major regional arms supplier.

--At least in the initial stages, the emphasis should be on weapons and equipment which clearly enhance defensive capabilities.

SECRET (GDS)

These guidelines as set forth above should also apply to any requests for the transfer of US-controlled military equipment from third countries to Pakistan or India.

In order to assist in the implementation of this decision in the initial stages, the Secretary of State, in coordination with the Secretary of Defense and the National Security Council staff, shall be responsible for ensuring that each request received under this policy is reviewed and decided upon in accordance with the above guidelines and in full compliance with legal and congressional requirements. Requests with potential for major political or military impact should be referred to me for consideration.

The Secretary of Defense and the Director of Central Intelligence shall be responsible for monitoring arms shipments to Pakistan and India from all sources on a continuing basis. A report summarizing such shipments and providing an assessment of the prospective military capabilities, including nuclear capability as appropriate, should be prepared for my attention semi-annually on June 30 and December 30 of each year.



cc: Chairman, Joint Chiefs of Staff

~~SECRET~~

THE SECRETARY OF STATE
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT
FROM: Cyrus Vance *CV*
SUBJECT: F-5Es for Pakistan

Pakistan has a strong interest in updating its aging fighter aircraft fleet, and we believe the question of an F-5E purchase may be raised by the Pakistanis during David Newsom's July 14-17 visit. Our policy continues to dictate that we will not, even if asked again by Pakistan, sell the A-7.

Our military analysts agree that Pakistan's Air Force, compared with India's, is outdated and ineffective. A persuasive military case can be made for Pakistan's need for a modern, lightweight interceptor for legitimate air defense needs. They have formerly told us they would want approximately 110 F-5Es at a cost of about \$700-800 million for aircraft only. We assume financing would come from wealthy OPEC friends.

There are a number of advantages to an F-5E sale. It would be a major sign of our interest in regional security in the wake of events in Afghanistan and Yemen. It would have the active and full support of Iran and Saudi Arabia and would help meet the concerns of those governments about our response to direct or indirect pressure on our friends from the USSR. There is a recognized military justification, and it would foster a sense of security among Pakistan's leadership.

Furthermore, while the Pakistanis have never made an explicit linkage, they have said that if we want cooperation from developing countries on nuclear non-proliferation, we should be prepared to help them meet their legitimate defense needs through responsible sales of conventional military equipment. Finally, the purchase would not pose a threat to Indian military superiority and would not introduce a higher level of arms sophistication in the area. (India already has the MIG-21, a comparable aircraft.)

DECLASSIFIED

Per: Rac Project

ESDN: NLC-126-13-18-1-7

BY: *ISS* NARA DATE: *6/10/13*~~SECRET~~

There are drawbacks to a sale, however. Our South Asian arms supply policy states we will not be a major supplier, and you told Desai our sales posture would be limited. Depending on the number of aircraft involved, a sale to Pakistan of F-5Es could make us a major supplier. It would also put additional pressure on our arms sales ceiling. In addition, the Indians may be concerned that the sale would signal a renewed "special relationship" with Pakistan. Finally, if the human rights record of the Pakistani Government does not improve or worsens, such a sale could be cited as inconsistent with our human rights policy.

David Newsom would not raise the F-5E issue in Islamabad and would respond only if the Pakistanis actively pursued the issue. We believe that if we respond positively to the Pakistanis, we should only agree in principle, with certain caveats. Newsom would say that our agreement would extend to no more than 40 aircraft, and he would not commit the U.S. to provide financing. He would also say that any sale would require Congressional approval. If the reprocessing issue is not resolved by the time of his visit, he would also note any sale would be contingent on Pakistan's foregoing reprocessing.

In addition, Newsom would say that our agreement in principle would apply to F-5Es or "equivalent aircraft." Mentioning "equivalent aircraft" would indicate that we would not oppose further French sales to Pakistan of Mirage aircraft which are rough equivalents of the F-5E. (You may recall that we previously told the French that we would not attempt to undercut their sale of Mirage aircraft to Pakistan but that if the Pakistanis asked us about F-5Es, we would respond on the merits.)

Recommendation

That you approve David Newsom's responding, if asked by the Pakistanis, that, without making any commitment concerning the financing, we agree in principle to Pakistani acquisition of not more than 40 F-5Es or equivalent aircraft. He would not discuss the specifics of a sale, would note the need for Congressional approval, and, if reprocessing has not been resolved, would say that our approval would be contingent on Pakistan's foregoing reprocessing.

make cash financing clear.

Approve ✓ Disapprove _____

J

THE WHITE HOUSE

WASHINGTON

July 8, 1978

LEAA REORGANIZATION/PUBLIC HOUSING ANNOUNCEMENT

Monday, July 10, 1978 (Rose Garden)
11:30 a.m.

From: Stu Eizenstat *Stu*
Anne Wexler

I. PURPOSE

To announce the LEAA reauthorization and reorganization proposal and the use of public housing funds for rehabilitation of the nation's largest public housing projects.

II. BACKGROUND AND PARTICIPANTS

Background: Today's announcement ceremony is designed to highlight two major Administration anti-crime initiatives: the LEAA reorganization and the retargeting of public housing funds. Since you have been in office, you have not made any major statements on crime, nor become visibly identified with anti-crime initiatives. Your statement today is designed to indicate your concern about crime and your Administration's commitment to doing what the Federal government can realistically do in helping State and local governments solve the crime problem.

Originally, today's ceremony was to include only the LEAA announcement. That announcement should be well received by the law enforcement community and by your urban constituency. The reduction of paperwork, the limitation on wasteful use of LEAA funds (such as purchases of helicopters and tanks), the targeting of funds to the most troubled areas, the involvement of neighborhood and community organizations, the fixed allocation of funds to be provided to local communities, and the general elimination of Federal red tape are all popular features of the LEAA announcement. We have been working with State and local government officials, black leaders, law enforcement officials and labor and business organizations to

stress these important features of the new LEAA program, and we expect very favorable statements to be issued today and in the next few days.

The public housing announcement was added to the ceremony, after checking with Senator Kennedy and Congressman Rodino, for two reasons. First, we wanted to make clear to the public that the Administration's concern about crime is not limited to just LEAA and that other Administration programs can help in the fight against crime. Second, we wanted to overcome the feeling of disappointment by many black and urban leaders that your LEAA proposal, while essentially sound, does not provide any new spending. That disappointment is essentially countered by the re-programming of public housing funds for rehabilitation of existing projects -- a goal long sought by many urban and black leaders.

Our hope is that today's ceremony will be generally seen as evidence of your serious concern about crime and your commitment to help State and local governments with improved Federal performance and with additional (though reprogrammed) funding.

Participants: We have invited Congressional leaders concerned about LEAA and public housing, Governors, Mayors, black leaders, union and business leaders, neighborhood and community organization leaders, State and local law enforcement officials, American Bar Association leaders and members of the judiciary. Among those certain to attend are Mayor Hatcher, Carl Holman, Vernon Jordan, Tom Donohue, Governor Byrne, Joe Timilty, Congressman Ashley, Congressman Rodino, and Senator Kennedy.

Those attending the ceremony will have been thoroughly briefed on both announcements earlier in the morning. The Attorney General (or Ben Civiletti), Secretary Harris (Larry Simons), and Stu Eizenstat will spend about one hour prior to the ceremony briefing the participants. Also prior to the ceremony, the same officials will be briefing the press on an embargoed basis.

Ceremony: The schedule for the ceremony is as follows:

- 11:30 a.m. Your statement announcing the two programs.
- 11:35 a.m. You complete the statement and introduce the Attorney General, who has directed the LEAA reorganization effort.

- 11:36 a.m. Senator Kennedy who will make a brief comment indicating his support for the LEAA program.
- 11:38 a.m. Attorney General introduces Congressman Rodino, who will also make a brief comment indicating his support for the LEAA program.
- 11:39 a.m. You introduce Secretary Harris, who developed the public housing announcement, and she makes brief remarks.
- 11:41 a.m. You thank Secretary Harris for her remarks, the participants for coming, and depart.

III. TALKING POINTS

A copy of your statement is attached.
(This statement was sent to you at Camp David this weekend.)

IV. PRESS PLAN

Open press coverage.

STATEMENT BY THE PRESIDENT

Every American is concerned about crime. Every American is a potential victim of crime. But that is only a part of the concern. Crime destroys the essential fabric of society in ways that go far beyond individual suffering and losses. In that sense, we are all victims.

Residents of inner city areas who are afraid to go to the neighborhood store are victims because of their fear. Children who grow up in a world where they may be intimidated in the school corridors are victims too. They are all victims because their lives have been limited, their opportunities narrowed. The cost is not just one of extra locks and extra policemen, but the much greater cost of living in fear and distrust -- the loss of vitality and freedom. There is no way to estimate that cost.

If our communities are to be vibrant and safe, our people cannot live in fear. We cannot let criminals control our lives. Thieves and vandals cannot be allowed to determine what activities we enjoy, or the hours we come and go.

The primary responsibility for law enforcement rests with State and local governments, with the Federal government providing important assistance. Within the last year, we have made some progress in reducing crime. Crime rates in nearly all major categories have gone down. But the rates are still too high, and crime is still a grave concern.

There is clearly more that the Federal government can and should do to solve this problem. Working in partnership with State and local governments, community organizations, and concerned citizens, we can make a safer America.

Since its creation, a decade ago, the Law Enforcement Assistance Administration has been the Federal government's major tool to help local governments carry out this responsibility. But it has never realized its potential.

As part of our reorganization efforts, the Justice Department and the Office of Management and Budget have spent more than a year intensively reviewing LEAA. We have involved community leaders, public officials, and law enforcement specialists from every part of the nation. We have also had valuable counsel and assistance from Congressional leaders, such as Senator Kennedy and Congressman Rodino. The proposals I am sending to the Congress today reflect their advice about making the Federal government a more effective and competent partner in the fight against crime.

First, we will greatly simplify the grant process, eliminating 75 percent of the paperwork. For instance, cities now required to submit 40 applications annually to get LEAA funding, will only have to submit one.

Second, we will strengthen the partnership, already enhanced by the urban policy, between the Federal government

and State and local communities. Hundreds of local governments -- cities and counties -- for the first time will have the flexibility to decide how LEAA funds can best be used to attack crime in their communities and will receive fixed allocations of LEAA funds for that purpose. In addition, we will target resources to those areas of the country with especially severe crime problems.

Third, we will consolidate and strengthen research and statistics programs within the Department of Justice. A National Institute of Justice will be created to replace several existing research units in the Department of Justice. It will be charged with conducting independent studies to determine how we can best solve our criminal and civil justice problems. A Bureau of Justice Statistics will be created to provide, for the first time, a central focus for the gathering and analysis of statistics concerning crime and our justice system. Both of these will have broad-based boards of experts and citizens to ensure their independence and effectiveness.

Through these changes we will improve our ability to help State and local governments combat crime and improve our justice system. Such improvements are essential if our citizens are to enjoy the right to live and work without fear of crime and if they are to have confidence in the nation's justice system.

The Federal effort to help State and local governments solve their crime problems cannot be limited, however, to just improving LEAA. A sensitivity to the crime problem must be part of other Federal programs which affect the daily lives of our citizens.

A perfect example is our public housing program. Although public housing provides, on the whole, affordable shelter for millions of Americans, all too many public housing projects have been allowed to decay and to breed violent crime. Throughout the country, many public housing residents live in perpetual fear of being robbed or attacked. We have an obligation to eliminate the criminal activity which causes these fears.

I am pleased to announce today that we are taking a step in that direction by using \$209 million from existing HUD funds to rehabilitate about 60 of the nation's largest public housing projects. This rehabilitation will upgrade the quality of those projects, which should significantly reduce the existence of crime there. Further, part of these funds will be specifically used for such anti-crime devices as safer locks, increased security guards and improved alarm systems.

In addition, several of the Federal agencies which have been involved in our urban policy will be pooling \$32 million

over the next year to develop an improved anti-crime program for public housing projects. Funds will be provided by CETA to hire local residents for such important preventative jobs as manning elevators and patrolling unguarded areas. Recreation facilities will be built with Interior Department funds for the men and women who reside in those projects. And LEAA funds will be provided for counseling and other services for juveniles living in public housing projects.

The programs I have announced today will have some impact on the crime problem. They will encourage State and local governments, and community and neighborhood groups, to work with us to solve this problem; but, if we are to be successful, we also need the support of each of the distinguished leaders who have come here today. You have the knowledge, ability and influence in your communities and in your governments to make a difference, and I urge you to help us by showing your support for these programs.

THE WHITE HOUSE
WASHINGTON

Jerry...

The attached is being returned
from Mrs. Carter.

Carol Benefield

6/29/78

The First Lady

THE WHITE HOUSE
WASHINGTON

June 28, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON *JR*

SUBJECT: ADDITION TO LIST OF RECOMMENDATIONS FOR
MEDAL OF FREEDOM

After the original memo to you concerning the Medal of Freedom was completed, I thought of another name that should be given serious consideration -- John Wayne.

For several reasons:

- 1) For what he represents in this country
- 2) For what he did to help us on the Panama Canal treaties
- 3) With his serious health problems, it may be the last time that we could justly honor him.

I agree
R

JUN 28 1978

THE WHITE HOUSE
WASHINGTON
July 10, 1978

Anne Wexler

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Landon Butler

RE: STEIGER AMENDMENT

THE WHITE HOUSE
WASHINGTON

July 10, 1978

Anne -
Good. keep
our literature
simple & clear
J

Administratively Confidential

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *Anne*
SUBJECT: Steiger Amendment

Because I believe that your position on Steiger could be the basis now for developing strong Democratic unity with our traditional constituencies, we have been taking action to build upon your statement at the press conference last week. This effort has required close cooperation and support among the DNC, the citizens tax reform committee, Treasury, and the White House staff (Landon, Stu, Frank, Gerry, and myself). Steiger supporters have been presenting their arguments on a fairly methodical basis to Members of Congress, business leaders, and the press. However, you have successfully moved the argument to one where public attention is now focused. Now we should make every effort to bring in our traditional supporters.

Here are some of the things we are doing:

- o In about ten key congressional districts of Ways and Means members, we are working with our supporters to organize support from unions, minorities, elderly, consumers, and others. We are also working on letters to editors, editorial boards, and talk shows. We are considering expanding this activity to other cities. We are not publicizing this.
- o One selling point for Steiger is the relief it provides on the sale of a home. However, you have already proposed relief in this area. Treasury is working to correct the misimpression given in Time this week. HUD is reiterating your proposal for relief in this area to the housing industry. This issue might require your personal participation within the next two weeks once Treasury has looked at what other relief might be appropriate.

- o We are working with Milt Stewart, SBA's new small business advocate and formerly Executive Director of the Council of Small and Independent Business Associations, to re-open communications with small business for possible later support if a proposal is developed along the outlines set forth by Secretary Blumenthal in his memorandum to you. Treasury will have a representative at a meeting of leaders of COSIBA on July 10.
- o The Tax Reform Committee is collecting positive statements and will send out a fact sheet to its supporters as well as to the Hill. Treasury will work with the Hill on inserting positive statements in the Congressional Record.
- o We are preparing packets of factual materials on Steiger to send to administrative assistants and legislative assistants on the Hill to aid in their understanding of the facts.
- o We are working with Treasury to identify an appropriate group in the House for Secretary Blumenthal and other Administration people to use as a forum for a briefing on Steiger-type proposals.
- o Treasury has been targeting press releases, statements, and radio interviews to key congressional districts.
- o The Democratic National Committee is sending out a fact sheet on Steiger to members of the national committee and the Finance Committee. It is also working on radio feeds of anti-Steiger materials to appropriate stations.
- o A CEA white paper on Steiger should be available during the week of July 10 and consideration is being given to a possible joint press conference by CEA and Treasury.

As a final note, I believe it is important that we make it clear that you are not opposed to appropriate adjustments in capital gains taxation where such adjustments would deal directly with problems of capital formation and the creation of jobs and economic growth, provided that revenue loss is reasonable and the benefits and burdens are equitably spread among income classes. We

must not be postured as compromising on Steiger; rather we should be in the position of dealing affirmatively with a specific problem. We want to be sure that we are playing, not in Steiger's ball field, but in our own. As an additional point, we should also continue our strategy of keeping the burden on the Ways and Means Committee to come up with a passable proposal rather than your having the burden to draft a passable tax package.

THE WHITE HOUSE
WASHINGTON
July 10, 1978

Jim McIntyre
Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 7, 1978

SIGNATURE

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*

SUBJECT: Proposed 1978 Supplemental Appropriations and
1979 Budget Amendments

Attached for your approval is a consolidated package containing requests for fiscal year 1978 supplemental appropriations totalling \$1 million and amendments to your 1979 appropriations requests totalling \$205.2 million. Also included in this package are District of Columbia local government requests (not affecting federal funds) for fiscal year 1978 supplemental appropriations totalling \$27.4 million and amendments to the 1979 District of Columbia budget totalling \$31.8 million in District of Columbia funds. An explanation of each item is included in the fact sheets attached to this memorandum. This package includes:

- requests for the legislative branch and the judiciary. These requests are, by law, transmitted without change.
- a request for \$200 million in fiscal 1979 funds for the Department of Housing and Urban Development to fund State incentive grants to be authorized by the Administration's State Community Conservation and Development Act of 1978 (H.R. 12893). These grants, which are part of your urban program, would be used to encourage the States to apply more of their resources, and to revise their policies and procedures, to aid troubled urban areas. This funding request was not made earlier because the authorizing bill was not introduced in Congress until May 31, 1978.
- a request for fiscal year 1978 appropriation language for the Department of Labor extending the availability of fiscal year 1978 appropriations for employment and training services for veterans through 1979.
- a request for \$1 million in fiscal year 1978 funds for the Veterans Administration that are needed to pay the administrative expenses involved in making payments to the survivors of servicemen who had been classified as missing in action during the Vietnam war and who have now been declared dead.
- requests for District of Columbia local operating funds totalling \$27.4 million in fiscal year 1978 and \$31.6 million in fiscal year 1979. By law, if you approve of these requests, you--rather than the District of Columbia--are required to transmit them to the Congress.

In our opinion these proposals are consistent with Administration objectives and an orderly government process. Each of these items has been rigorously reviewed by your staff and found to be necessary at this time.

RECOMMENDATION

That you sign the letter transmitting these requests to the Congress. Transmittal at this time is recommended in order to allow for proper consideration by the Subcommittees of the Senate Appropriations Committee during their markups.

Attachments

THE WHITE HOUSE

WASHINGTON

The President

of the Senate

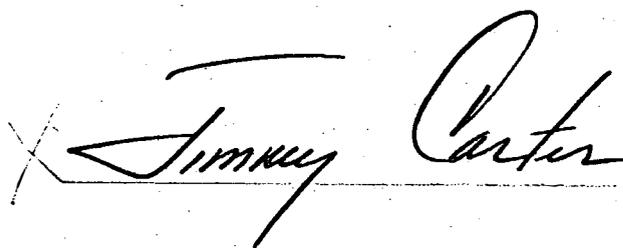
Sir:

I ask the Congress to consider requests for supplemental appropriations for the fiscal year 1978 in the amount of \$1,000,000 and amendments to the request for appropriations for the fiscal year 1979 in the amount of \$205,171,000. I am also transmitting herein requests for fiscal year 1978 supplemental appropriations in the amount of \$27,406,100 and amendments to the fiscal year 1979 District of Columbia budget in the amount of \$31,813,300 in District of Columbia funds for the government of the District of Columbia.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

Enclosures

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Enclosures".

3510

THE WHITE HOUSE
WASHINGTON

July 10, 1978

Jerry Rafshoon

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Phil Wise
Fran Voorde

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION -

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

VICE PRESIDENT
EIZENSTAT
JORDAN
KRAFT
LIPSHUTZ
MOORE
POWELL
WATSON
WEXLER
BRZEZINSKI
MCINTYRE
SCHULTZE

ARAGON
BOURNE
BUTLER
H. CARTER
CLOUGH
COSTANZA
CRUIKSHANK
FALLOWS
FIRST LADY
GAMMILL
HARDEN
HUTCHESON
JAGODA
LINDER
MITCHELL
MOE
PETERSON
PETTIGREW
PRESS
RAFSHOON
SCHNEIDERS
VOORDE
WARREN
WISE

ADAMS
ANDRUS
BELL
BERGLAND
BLUMENTHAL
BROWN
CALIFANO
HARRIS
KREPS
MARSHALL
SCHLESINGER
STRAUSS
VANCE

*at ready
not
my phone
on 7/8*

THE WHITE HOUSE

WASHINGTON

July 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON

There has been a need to do some pre-summit events for European television. This is consistent with what you did last year prior to the London summit.

After consultation with NSC, Jody and I have scheduled a half-hour interview program with English - French - Japanese - Italian - and German television. It will be run in prime time in these countries on July 12, the evening before your arrival in Germany.

It will be taped in the Map Room at 3:00 p.m. Tuesday, July 11. NSC will have briefing books to you by Monday.

We have cancelled this week's press conference.

The German TV networks are not happy with having to share this with the other countries because of the German state visit and the hype they are giving us.

They have requested another entire half hour, which we have refused. I would like to extend the entire half hour to 45 minutes and let the four other countries have the first 25 minutes and then let the Germans have 20 minutes more. Jody and NSC concur.

Der Spiegel, the leading German magazine would also like a pre-visit interview. It could be done Tuesday. 30 minutes. They have not been given an answer.

Extend the TV interview from 30 to 45 minutes

Approve Disapprove

Do Der Spiegel on Tuesday

Approve Disapprove

*Why not
worthw
interview?
a brief oral
follow-up*

THE WHITE HOUSE
WASHINGTON

July 10, 1978

Secretary Blumenthal

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

THE SECRETARY OF THE TREASURY
WASHINGTON, D. C. 20220

PERSONAL

June 26, 1978

TO THE PRESIDENT

I thought you might like to see this -- not because you don't have enough to read, but because I tried to pull together an analysis of how national and international economic decision-making has been complicated in the current environment.



W. Michael Blumenthal

enc.

To President Carter —
the shipper of our ship!
- Mike B.

W. Michael Blumenthal

STEERING IN CROWDED WATERS

*Very good —
J.C.*

Reprinted From

**FOREIGN
AFFAIRS**

AN AMERICAN QUARTERLY REVIEW



JULY 1978

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM:

Jack Watson *Jack*

July 8, 1978

SUBJECT:

Proposed Agenda for the Cabinet Meeting
on Monday, July 10, 1978

I am giving the opening address to the annual meeting of the National Association of Counties on Sunday night in Atlanta and will stay in Atlanta all day Monday meeting with key county officials. I have asked Larry Gilson of my staff to attend Monday's Cabinet meeting and to draft the minutes for the meeting. Larry will be seated behind you in the chair I normally sit in.

Jody has asked that a German television crew (consisting of four people) be permitted to film the opening two minutes of the Cabinet meeting. As I think you know, they are preparing a documentary on you to be shown in Germany during your visit to Bonn later this week.

I. Miscellaneous Items

1. Last week you sent me a copy of the report from the President's Interagency Task Force on Women Business Owners and asked me to pursue the recommendations and place the subject on the next Cabinet agenda.

- o I have drafted and attached a memorandum from you to the heads of all departments and agencies directing each of them to analyze the recommendations of the task force and to report back to you through me within two weeks on the specific steps they are taking, or can take, to implement them. The memorandum also points out that you have asked Pat Cloherly, Deputy Administrator of the Small Business Administration, to establish and chair an interagency committee to implement the report's recommendations. I have asked Pat to attend the Cabinet meeting on Monday. I suggest that you introduce her to the Cabinet and ask for her to comment briefly (one minute).

- o I shall also have at each Cabinet member's place a copy of the task force report. You might just underscore your personal interest in the subject and refer to the substance of the attached memorandum.

2. Mike Blumenthal asked that the "Steiger Amendment" be on the agenda for discussion. Treasury has prepared a fact sheet and related briefing materials on the subject. I suggest you simply call on Mike and ask him to outline what help the Cabinet can be. You might also ask John White to comment briefly on the "anti-Steiger Amendment" activities of the DNC.

3. You might ask the Vice President to report briefly on his trip to the Middle East.

4. You might also comment briefly on your plans and expectations for your forthcoming trip to Bonn. I know that the Cabinet would be particularly interested in what you regard as the most important topics at the economic summit meeting.

5. You might ask for a brief report from Charlie Schultze on the second quarter economic indicators.

6. You might want to tell the Cabinet that the American Jewish Congress has voted to present Juanita Kreps with the Stephen Wise Award in recognition of the role the Department of Commerce has played in developing and administering the anti-boycott regulations. That seems to me to be a significant gesture that should receive publicity.

II. Status Report on Current Priority Domestic Issues

- Anti-inflation program
- Civil Service reform
- Labor law reform
- Hospital cost containment
- Labor/HEW appropriations bill
- USDA appropriations bill
- Welfare reform (ask Joe Califano to comment on the Moynihan/Cranston bill which is being co-sponsored by Russell Long)

- National energy act
 - natural gas
 - coal conversion
 - energy taxes
 - conservation
 - oil import fees
- You might ask for status reports on the urban policy legislation, specifically
 - National Development Bank
 - state incentive grants
 - supplemental fiscal assistance
 - labor intensive public works

III. Status Report on Current Priority Foreign Affairs

- Turkish arms embargo
- Foreign assistance appropriations--IFI's
- Foreign aid authorization

CC: The Vice President

THE WHITE HOUSE

WASHINGTON

July 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 6/30</u>	<u>WEEK ENDING 7/7</u>
Presidential	21,340	18,550
First Lady	1,840	1,235
Amy	230	200
<u>Other First Family</u>	<u>50</u>	<u>55</u>
TOTAL	23,460	20,040

BACKLOG

Presidential	2,535	2,465
First Lady	335	215
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	2,870	2,680

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	10%	10%
WH Correspondence	41%	41%
Unanswerable Mail	16%	17%
White House Staff	4%	4%
<u>Other</u>	<u>29%</u>	<u>28%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters	0	0
Form Post Cards	19,775	20,788
Mail Addressed to White House Staff	17,179	13,796

cc: Senior Staff

MAJOR ISSUES IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 7/7/78

ISSUES	PRO	CON	COMMENT ONLY	NUMBER OF LETTERS
Support for President's Position re: Capital Gains Tax (1)	2%	96%	2%	696
Support for President's Proposal to Increase Aid for Financing Higher Education (2)	8%	92%	0	<u>289</u>
			TOTAL	985

(1) SUPPORT FOR PRESIDENT'S POSITION RE:
CAPITAL GAINS TAX (96% Con)

Reacting to recent remarks made by the President about the Steiger amendment, people strongly favor a reduction of taxes on capital gains, and they express concern that all incentive is being taken away from investment.

(2) SUPPORT FOR AID TO FINANCE HIGHER EDUCATION (92% Con)

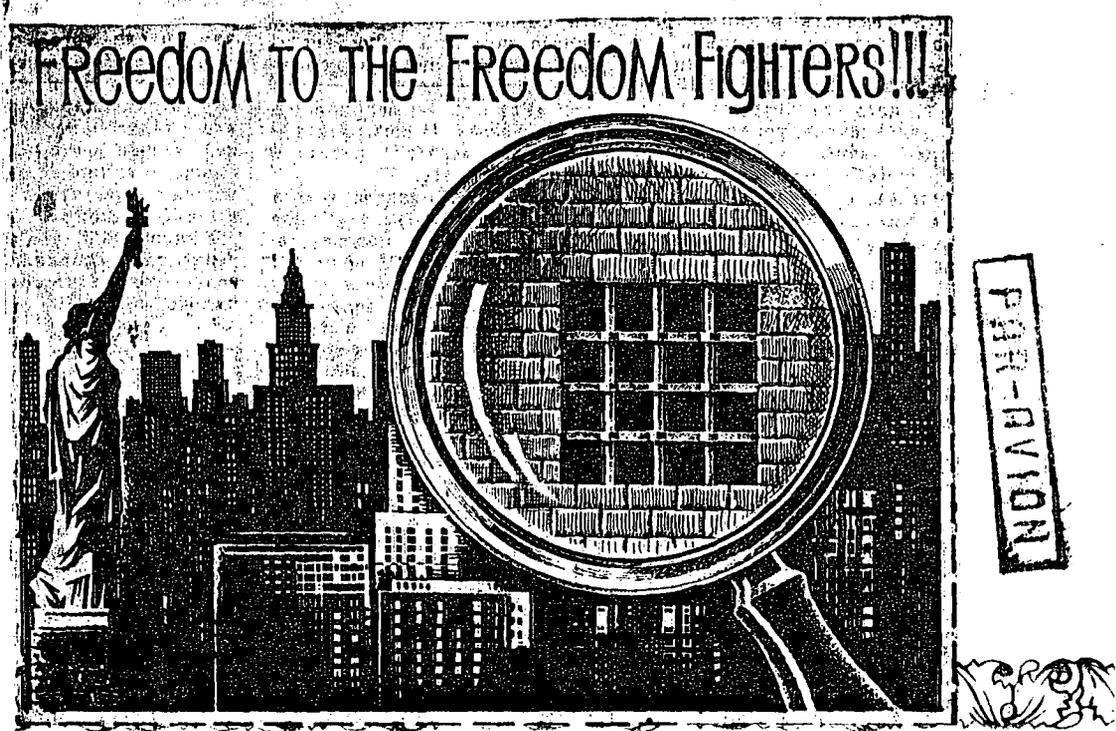
Writers continue to urge the President to support tuition tax credit legislation.

WEEKLY MAIL REPORT SUPPLEMENT

Week Ending 7/7/78

The following page contains a sample of form cards received in addition to the regular mail.

<u>ISSUE</u>	<u>AMOUNT</u>
Russian citizens are sending form cards asking President Carter, in the name of human rights, to stop the trials of political prisoners in U.S. jails.	19,500



Mister.. President..!

Human rights that you speak so much about begin at home. We address you mister President, an appeal to take concrete actions in your country, to denounce and stop the political trials of the american civil rights fighters.

Adding our voice to the broad international campaign of solidarity with political prisoners in the US jails we are expecting from you mister President, decisive actions in defense of justice.

We urge: freedom to the freedom fighters!!!

NAME: *Фамилия.. Prigara S..*

Age: *ВОЗРАСТ .. 45 ..*

USSR



30-5742

**President
CARTER**

**Washington
USA**

THE WHITE HOUSE

WASHINGTON

July 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*
JIM GAMMILL *JMG*

SUBJECT: Meeting with Richard Freeman

You are meeting with Richard Freeman of Chicago, Illinois. Freeman is now the Vice President (Law) and a member of the Board of Directors of the Chicago and North Western Transportation Co.

We recommend that you offer him the nine year term to the Board of Directors of the Tennessee Valley Authority.

Comments and background information on Richard Freeman are attached.

RICHARD FREEMAN

Comments on Richard Freeman

Bo Cutter, Executive Assistant Director, OMB

Liberal Democrat. Good, solid business manager. Able. The best of the railroad executives. His railroad is the only profitable railroad in the midwest, I believe - it may be the most profitable in the Nation.

Dick is easy to work with. He's been extremely successful working for a totally employee owned company. The railroad business is rough.

He deals with high levels of the legal corporate management. He's spent 10 years in the senior level corporate legal community.

He's always stood out as having a sophisticated sense for the public and private interests and the way they link together.

Ben Heineman, Sr. - Chairman, Northwest Industries, Inc.
Chicago, Illinois

Dick started at Northwestern as Vice President for General Counsel and became the number two policy person under Provo.

He continued to run the legal department of about thirty lawyers.

Prior to these commitments, he had a very distinguished career in private practice.

Provo used Dick as a consultant on most policy decisions and as an overall counsel and advisor.

He is patient, yet decisive. He is a man of unquestionable character.

I'm surprised that Dick is considering this. He will take such a pay cut and have to leave the private sector; yet he is public service minded and that might again be drawing him.

I cannot speak more highly of anyone for this appointment.

Joseph Swidler - Attorney, Lera, Hawes, Symington, Martin
& Oppenheimer, Wash., D.C.; Former TVA Board Member

An old friend. We almost went into partnership before he west to Chicago. He is a good liberal Democrat who makes up his own mind. He is in very good standing with the business community. I think he would now like to return to public service. He would be a good appointment.

Carl Lyons - Senior Vice President, Association of American
Railroads

I've known Dick Freeman for twenty years. He is a first rate lawyer, works well with people. He has an outstanding reputation with his peers. He is a man of integrity. He is second or third most powerful person in the company. He can claim a lot of credit for the success of the company.

RICHARD M. FREEMAN
790 Sheridan Road
Glencoe, Illinois 60022
(312) 835-0089 (Residence)
(312) 454-6500 (Business)

BORN: Crawfordsville, Indiana; July 2, 1921.
MARRIED: Joanne Spears; four children; Richard R., 27;
Mark, 24; Candiss, 23; Marcia, 17.

EDUCATION: Wabash College, A.B., 1943 (Phi Beta Kappa)
Columbia University Law School, L.L.B., 1948.

EXPERIENCE: Tennessee Valley Authority, 1948-1957
Served as an attorney in the law department,
counseling the resource development program
and handling administrative and court
litigation.

Belnap, Spencer, Hardy & Freeman, 1957-1967
Served as a partner in firm representing
industries, railroads, barge lines and motor
carriers in matters arising before the
Interstate Commerce Commission.

Chicago and North Western Transportation
Company, 1967 to Present
Vice President-Law, directing the law depart-
ment; one of three trustees, voting the
Class A common stock, most of which is owned
by employees of the company; and one of three
members of the Executive Committee of the
Board.

With Larry S. Provo, six years ago
formed the Chicago and North Western Trans-
portation Company, which purchased the
assets and assumed the liabilities of the
Chicago and North Western Railway Company
in June, 1972.

PUBLICATIONS: Tennessee Law Review, April, 1955, "New Water
Rights Law for the Tennessee Valley"
Nebraska Law Review, March, 1951, "Regional &
River Valley Public Power Development"

REFERENCES: Ben W. Heineman, Chairman, Northwest Industries, Inc.
6300 Sears Tower, Chicago, Illinois 60606
Joseph C. Swidler; Leva, Hawes, Symington, Martin
& Oppenheimer, 815 Connecticut Ave., N. W.,
Washington, D. C. 20006

Addendum to Richard M. Freeman Resumé

In addition to working out the formulation of the employee purchase of the Chicago and North Western Transportation Company with Larry Provo, I headed a task force in the late 1960's which prepared a long-term plan to create a six-county regional transportation agency in the Chicago metropolitan area and developed a public educational program, as well as a program to educate legislators and other state and local officials, on the need for a regional agency with necessary powers to coordinate effectively all forms of mass transit in the six counties. The agency, called the Regional Transportation Authority (RTA), came into being in July of 1973.

* * * * *

Over the last twenty years, I have observed the operation of the Tennessee Valley Authority (TVA) from a distance. Outsiders who have done business with the TVA in recent years have suggested to me that the agency has become overly bureaucratic. It may be that the most pressing need is the infusion of talented, energetic men and women in the key middle and upper levels of the organization. Given the flexibility inherent in the agency's charter and some imaginative personnel policies, it should not be difficult to recruit the kind of personnel who could revitalize the agency.

I further believe that the resource development programs--fertilizer and agricultural, community development, recreation, flood plain zoning and control, etc.--are due for a reassessment in the light of past successes and failures and current and expected needs of the Valley region.

* * * * *

THE WHITE HOUSE
WASHINGTON

July 10, 1978

Jack Watson

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

DON SCHAEFER AND HENRY MAIER

		FOR STAFFING
		FOR INFORMATION
✓		FROM PRESIDENT'S OUTBOX
		LOG IN/TO PRESIDENT TODAY
		IMMEDIATE TURNAROUND
		NO DEADLINE
		LAST DAY FOR ACTION -

ACTION
FYI

		ADMIN CONFID
		CONFIDENTIAL
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		EYES ONLY

		VICE PRESIDENT
		EIZENSTAT
		JORDAN
		KRAFT
		LIPSHUTZ
		MOORE
		POWELL
✓		WATSON
		WEXLER
		BRZEZINSKI
		MCINTYRE
		SCHULTZE

		ARAGON
		BOURNE
		BUTLER
		H. CARTER
		CLOUGH
		COSTANZA
		CRUIKSHANK
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HUTCHESON
		JAGODA
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		PRESS
		RAFSHOON
		SCHNEIDERS
		VOORDE
		WARREN
		WISE

		ADAMS
		ANDRUS
		BELL
		BERGLAND
		BLUMENTHAL
		BROWN
		CALIFANO
		HARRIS
		KREPS
		MARSHALL
		SCHLESINGER
		STRAUSS
		VANCE

Jack - They're eager
to help -
J.C.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack* July 8, 1978

SUBJECT: Summaries for the Week of July 3 - 7, 1978,
and Miscellaneous Items

- I am attaching the weekly summaries.
- I am also attaching a letter to you from Mayor Don Schaefer of Baltimore which I gave him my solemn promise I would pass on to you. He called for you last week, and I returned the call. The sole purpose of his call was to tell you what a splendid job he thinks you personally and your Administration are doing in fulfilling your campaign pledge to the cities of the country. He expressed his distress about all the recent polls and wanted you to know that he is doing everything he can, in speeches and otherwise, to call attention to the really good work you are doing.

done

Henry Maier of Milwaukee also called, essentially for the same purpose, to express his chagrin at the polls and to tell you what a splendid job he thinks you are doing. I promised him that I would pass on his message to you.

done

I think it would be a good use of your time for you to call Henry and Don to thank them for their support (which is substantial in both cases) and to express your personal appreciation for their concern. As you know, I rarely pass on calls from governors, mayors, etc., for you to make, but I think a phone call in these two cases from you to them is worth the very few minutes of your time it would take.

- Speaking of polls, I am attaching for your quick review a summary of a Harris poll that appeared in the Washington Post on July 3. It reports some interesting majority perceptions that I thought would be of special interest to you.

● I spent all day Thursday and Thursday night in Eastern Kentucky talking with various public and private rural folks (e.g., mayors, county officials, church leaders, small town bankers, etc.) on the subjects of rural health, rural housing, and rural water and sewer problems. It was a worthwhile trip. I spent all Friday morning doing the same thing in the coastal area of South Carolina. I gave a luncheon speech in Charleston at a Democratic meeting for Pug Ravenal. Pug still has an up-hill fight against Senator Thurmond, but it appears to me that he is within striking distance and that a victory is possible. I spent all afternoon in Charleston with Mayor Joe Riley reviewing the very exciting community development, housing and economic development activities that the city is engaged in with the federal government and the private sector. You would be very pleased with what's going on there. Joe is a dynamic, intelligent, solid young man (35 years old) who is firmly committed to you.

I am pleased to report that what I learned on the trip confirms both the validity and urgency of the items listed on the Rural Development Action Agenda which I sent you ten days ago. I expect the first round of rural health reform initiatives to be ready before the end of this month. My intention is for all of the items on the agenda to be completed before the end of this year and for their announcements to be staged as the results are achieved over the next several months. I think it will be both politically and substantively important for you personally to be involved in some of those announcements.

CC: The Vice President

*Sugar -
Calds*

THE WHITE HOUSE

WASHINGTON

July 8, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: LEAA Announcement

Attached is a draft of the statement you will give at the LEAA ceremony. In light of the fact that you will be doing this Monday morning, I thought you might like to review it over the weekend. Jim Fallows has cleared this statement.

The Message to Congress will be on your desk when you get back on Sunday.

STATEMENT BY THE PRESIDENT

Every American is concerned about crime. Every American is a potential victim of crime. But that is only a part of the concern. Crime destroys the essential fabric of society in ways that go far beyond individual suffering and losses. In that sense, we are all victims.

[Residents of inner city areas who are afraid to go to the neighborhood store are victims because of their fear. Children who grow up in a world where they may be intimidated in the school corridors are victims too. They are all victims because their lives have been limited, their opportunities narrowed. The cost is not just one of extra locks and extra policemen, but the much greater cost of living in fear and distrust -- the loss of vitality and freedom. There is no way to estimate that cost.]

If our communities are to be vibrant and safe, our people cannot live in fear. We cannot let criminals control our lives.

~~[Thieves and vandals cannot be allowed to determine what activities we enjoy, or the hours we come and go.]~~

The primary responsibility for law enforcement rests with State and local governments, with the Federal government providing important assistance. Within the last year, we have made some progress in reducing crime. *New Jobs have been created.* Crime rates in nearly all major categories have gone down. But the rates are still too high, and crime is still a grave concern.

-2-

There is clearly more that the Federal government can and should do to solve this problem. Working in partnership with State and local governments, community organizations, and concerned citizens, we can make a safer America.

Since its creation, a decade ago, the Law Enforcement Assistance Administration has been the Federal government's major tool to help local governments carry out this responsibility. But it has never realized its potential.

As part of our reorganization efforts, the Justice Department and the Office of Management and Budget have spent more than a year intensively reviewing LEAA. We have involved community leaders, public officials, and law enforcement specialists from every part of the nation. We have also had valuable counsel and assistance from Congressional leaders, such as Senator Kennedy and Congressman Rodino. The proposals I am sending to the Congress today ~~reflect their advice~~ ^{will make} about ~~making~~ the Federal government a more effective and competent partner in the fight against crime.

First, we will greatly simplify the grant process, eliminating 75 percent of the paperwork. For instance, cities now required to submit 40 applications annually to get LEAA funding, will only have to submit one ~~x~~ ^{application per year.}

Second, we will strengthen the partnership, already enhanced by the urban policy, between the Federal government

and State and local communities. ~~Hundreds of local governments~~ — cities and counties — for the first time will have the flexibility to decide how LEAA funds can best be used to attack crime in their communities and will receive fixed allocations of LEAA funds for that purpose. In addition, we will target resources to those areas of the country with especially severe crime problems.

Third, we will consolidate and strengthen research and statistics programs within the Department of Justice. A National Institute of Justice will be created to replace several existing research units in the Department of Justice. It will be charged with conducting independent studies to determine how we can best solve our criminal and civil justice problems. A Bureau of Justice Statistics will be created to provide, for the first time, a central focus for the gathering and analysis of statistics concerning crime and our justice system. [Both of these will have broad-based boards of experts and citizens to ensure their independence and effectiveness.]

[Through these changes we will improve our ability to help State and local governments combat crime and improve our justice system. Such improvements are essential if our citizens are to enjoy the right to live and work without fear of crime and if they are to have confidence in the nation's justice system.]

-4-

The Federal effort to help State and local governments solve their crime problems cannot be limited, however, to just improving LEAA. A sensitivity to the crime problem must be part of other Federal programs which affect the daily lives of our citizens.

[A perfect example is our public housing program. Although public housing provides, on the whole, affordable shelter for millions of Americans, all too many public housing projects have been allowed to decay and to breed violent crime. Throughout the country, many public housing residents live in perpetual fear of being robbed or attacked. We have an obligation to eliminate the criminal activity which causes these fears.]

I am pleased to announce today that [we are taking a step in that direction by using \$209 million from existing HUD funds to rehabilitate about 60 of the nation's largest public housing projects. This rehabilitation will upgrade the quality of those projects, which should significantly reduce the existence of crime there. Further, part of these funds will be specifically used for such anti-crime devices as safer locks, increased security guards and improved alarm systems.

In addition, [several of the Federal agencies which have been involved in our urban policy will be pooling \$32 million

IMM

PRECEDENCE

UNCLAS

CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: **Bill Simon**

TO: **Phil Wise for the President**

INFO:

DEX _____

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PAGES **6**

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DTG: **081902 JUL 78**

RELEASED BY: **pd**

TOR:

SPECIAL INSTRUCTIONS:

// to CAMP 032 //

1978 JUL 8 19 02

-5-

over the next year to develop an improved anti-crime program for public housing projects. Funds will be provided by CETA to hire local residents for such important preventative jobs as manning elevators and patrolling unguarded areas. Recreation facilities will be built with Interior Department funds for the men and women who reside in those projects. And LEAA funds will be provided for counseling and other services for juveniles living in public housing projects.

The programs I have announced today will have ^{a beneficial} ~~some~~ impact on the crime problem, ~~[They will encourage~~ ^{from} State and local governments, and community and neighborhood groups, to work with us to solve this problem;] but, if we are to be successful, we also need the support of each of the distinguished leaders who have come here today. You have the knowledge, ability and influence ~~[in your communities and in your governments to make a difference,] and [I urge you to help us by showing your support for these programs]~~

and using these more effective programs, our common battle ^{effort} ~~against~~ crime can continue to reduce the ^{excessive} crime rate in our nation.

THE WHITE HOUSE

WASHINGTON

July 8, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
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Residents of inner city areas who are afraid to go to the neighborhood store are victims because of their fear. Children who grow up in a world where they may be intimidated in the school corridors are victims too. They are all victims because their lives have been limited, their opportunities narrowed. The cost is not just one of extra locks and extra policemen, but the much greater cost of living in fear and distrust -- the loss of vitality and freedom. There is no way to estimate that cost.

If our communities are to be vibrant and safe, our people cannot live in fear. We cannot let criminals control our lives. Thieves and vandals cannot be allowed to determine what activities we enjoy, or the hours we come and go.

The primary responsibility for law enforcement rests with State and local governments, with the Federal government providing important assistance. Within the last year, we have made some progress in reducing crime. Crime rates in nearly all major categories have gone down. But the rates are still too high, and crime is still a grave concern.

There is clearly more that the Federal government can and should do to solve this problem. Working in partnership with State and local governments, community organizations, and concerned citizens, we can make a safer America.

Since its creation, a decade ago, the Law Enforcement Assistance Administration has been the Federal government's major tool to help local governments carry out this responsibility. But it has never realized its potential.

As part of our reorganization efforts, the Justice Department and the Office of Management and Budget have spent more than a year intensively reviewing LEAA. We have involved community leaders, public officials, and law enforcement specialists from every part of the nation. We have also had valuable counsel and assistance from Congressional leaders, such as Senator Kennedy and Congressman Rodino. The proposals I am sending to the Congress today reflect their advice about making the Federal government a more effective and competent partner in the fight against crime.

First, we will greatly simplify the grant process, eliminating 75 percent of the paperwork. For instance, cities now required to submit 40 applications annually to get LEAA funding, will only have to submit one.

Second, we will strengthen the partnership, already enhanced by the urban policy, between the Federal government

and State and local communities. Hundreds of local governments -- cities and counties -- for the first time will have the flexibility to decide how LEAA funds can best be used to attack crime in their communities and will receive fixed allocations of LEAA funds for that purpose. In addition, we will target resources to those areas of the country with especially severe crime problems.

Third, we will consolidate and strengthen research and statistics programs within the Department of Justice. A National Institute of Justice will be created to replace several existing research units in the Department of Justice. It will be charged with conducting independent studies to determine how we can best solve our criminal and civil justice problems. A Bureau of Justice Statistics will be created to provide, for the first time, a central focus for the gathering and analysis of statistics concerning crime and our justice system. Both of these will have broad-based boards of experts and citizens to ensure their independence and effectiveness.

Through these changes we will improve our ability to help State and local governments combat crime and improve our justice system. Such improvements are essential if our citizens are to enjoy the right to live and work without fear of crime and if they are to have confidence in the nation's justice system.

The Federal effort to help State and local governments solve their crime problems cannot be limited, however, to just improving LEAA. A sensitivity to the crime problem must be part of other Federal programs which affect the daily lives of our citizens.

A perfect example is our public housing program. Although public housing provides, on the whole, affordable shelter for millions of Americans, all too many public housing projects have been allowed to decay and to breed violent crime. Throughout the country, many public housing residents live in perpetual fear of being robbed or attacked. We have an obligation to eliminate the criminal activity which causes these fears.

I am pleased to announce today that we are taking a step in that direction by using \$209 million from existing HUD funds to rehabilitate about 60 of the nation's largest public housing projects. This rehabilitation will upgrade the quality of those projects, which should significantly reduce the existence of crime there. Further, part of these funds will be specifically used for such anti-crime devices as safer locks, increased security guards and improved alarm systems.

In addition, several of the Federal agencies which have been involved in our urban policy will be pooling \$32 million

over the next year to develop an improved anti-crime program for public housing projects. Funds will be provided by CETA to hire local residents for such important preventative jobs as manning elevators and patrolling unguarded areas. Recreation facilities will be built with Interior Department funds for the men and women who reside in those projects. And LEAA funds will be provided for counseling and other services for juveniles living in public housing projects.

The programs I have announced today will have some impact on the crime problem. They will encourage State and local governments, and community and neighborhood groups, to work with us to solve this problem; but, if we are to be successful, we also need the support of each of the distinguished leaders who have come here today. You have the knowledge, ability and influence in your communities and in your governments to make a difference, and I urge you to help us by showing your support for these programs.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

FOR THE PRESIDENT

FROM GRETCHEN POSTON *gp*

DATE: 9 July 1978

SUBJECT: ANNOUNCEMENT - L.E.A.A.
10 July 1978

I am attaching for your reference a list of those who are expected at the briefing and announcement scheduled on Monday. This list does not include Congressional guests (app. 50 are expected). As of this morning, the names were not available.

This group of individuals is scheduled to meet in Room 450 - OEOB for a one-hour briefing, following which they will assemble in the Rose Garden to await the announcement at 11:30 A.M. Immediately following your announcement, all guests are expected to depart the grounds.

GUEST LIST - L.E.A.A. - 10 July 1978 at 10:00 and 11:15 A.M.

Lawrence Acevedo
Drug Enforcement Administration - Special Agent

Duane Baltz
Dep. Dir., Criminal Justice Program, Nat'l Assn. of Counties

Alan Beals
National League of Cities

Hon. Lee Brown
Commissioner of Public Safety, Atlanta, GA

Hon. Brendan T. Byrne
Governor of New Jersey

Hon. Warren Burger
Chief Justice of the United States

John Callahan
Nat'l Conference of State Legislatures

Dr. Mark Cannon
Admin. Asst. to the Chief Justice

Judge J. Phil Carlton
Dept. of Crime Control & Public Safety, Raleigh, NC

Frederico Costales
Nat'l Conf. of Hispanic Law Enforcement Officers

Mark Cuniff
Nat'l Assn. of Criminal Justice Planners

Al Del Bello
White Plains, NY

Cushing Dolbeare
Ad Hoc Low Income Housing Coalition

Thomas Donahue
AFL-CIO, Washington, D.C.

William Drake
National League of Cities

Robert D. Evans
American Bar Association

Stephen Farber
National Governors' Association

Hon. Kenneth Gibson
Mayor of Newark, NJ

Cathy Gilson
Juvenile Justice Project

Jesse Gray
National Tenants' Organization

John Gunther
U.S. Conference of Mayors

Robert H. Hall
Georgia Supreme Court, Atlanta, GA

Hon. Richard Hatcher
Mayor of Gary, IN

Patrick F. Healy
National District Attorneys Association

Bernard F. Hillenbrand
National Association of Counties

Herb Hoffman
American Bar Association

M. Carl Holman
Washington, D.C.

Hon. James B. Hunt, Jr.
Governor of North Carolina

Arthur M. Jefferson
Black Police Officers' Association

Vernon Jordan
National Urban League

Bettye Kehrer
Nat'l Legal Aid and Defender Assn., Washington, D.C.

Glen D. King
International Association of Chiefs of Police

Lane Kirkland
AFL-CIO, Washington, D.C.

William Klaus
Nat'l Legal Aid and Defender Assn., Philadelphia, PA

Milton Kotler
National Association of Neighborhoods

GUEST LIST - L.E.A.A. - 10 July 1978 at 10:00 & 11:15 A.M.

John Lagomarcino
National Governors' Association

Heath Larry
National Association of Manufacturers

Hon. George Latimer
Mayor of St. Paul, MN

Dr. Richard Leshner
U.S. Chamber of Commerce

Ferris Lucas
National Sheriffs' Association

Earl Mackey
National Conference of State Legislatures

Robert Maffin
Nat'l Assn. of Housing & Redevelopment Officials

John McMannis
Washington, D.C.

Edward McConnell
National Center for State Courts

Chief of Police Roy C. McLaren
Arlington Co. Police Department, Arlington, VA

Clarence Mitchell
NAACP

Norval Morris
University of Chicago Law School

Glen R. Murphy
International Association of Chiefs of Police

Hon. Patrick Murphy
Commissioner, Police Foundation, Washington, D.C.

Lynn Olson
National League of Cities

Raymond Olson
American Correctional Association

Hon. C. William O'Neill
Chief Justice, Supreme Court of Ohio

Thomas Parker
Nat'l Conf. of State Criminal Justice Planning Administrators

Leo Perlis
AFL-CIO, Washington, D.C.

Jack Post
Business Round Table

Hon. Edward E. Pringle
Chief Justice, Supreme Court of Colorado

Renault Robinson
Black Police Officers Association

Jeffrey A. Roth
Cheverly, MD

Arne L. Schoeller
National Center for State Courts

Richard Schwartz
Professor, Syracuse University

Hon. Robert J. Sheran
Chief Justice, Supreme Court of Minnesota

Gordon Smith, III
Dept. of Crime Control & Public Safety, Raleigh, NC

William B. Spann, Jr.
American Bar Association

Walter Stultz
Nat'l. Assn. of Small Business Investment Companies

Paul Sweet
N.C.S.L., Washington. D.C.

Harry Swegle
Nat'l Center for State Courts, & Nat'l Conf. of Chief Justices

Joseph Timilty
National Commission on Neighborhoods

Anthony Travisono
American Correctional Association

Ellie Wegner
McLean, VA

Raymond White
National Association of Counties

GUEST LIST - L.E.A.A. - 10 July 1978 at 10:00 & 11:15 A.M.

Police Chief Hubert Williams

Nat'l/ Org. of Black Law Enforcement Executives

Hon. Suzanne Wilson

Vice Mayor of San Jose, CA

Al Woll

AFL-FIO, Washington, D.C.